

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY CAIRO

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E.O. 11652: N/A

TAGS: BBAK EG

SUBJ: POLYESTER AND ACRYLONITRILE FIBRE PLANTS

REF: CAIRO 9653

1. FOLLOWING IS INTERIM STATUS REPORT ON COMMERCE
INVESTIGATION OF PARTICIPATING PARTIES MENTIONED IN REFTL
SINCE DATE OF GOE INVESTMENT AND FREE ZONE BOARD MEETING
OMITTED IN PARA 4.

A. WRIGHT INDUSTRIES IS LARGE AND RESPONSIBLE SOURCE
OF SPECIAL EQUIPMENT INCLUDING MACHINERY FOR MANUFACTURING
BOTH OF SUBJECT FIBERS. DOMESTIC CLIENTS INCLUDE DUPONT,
ALLIED CHEMICAL AND MONSANTO. FIRM VERY WELL KNOWN TO
MENPHIS D.O. AND AS SUPPLIER MAJOR OVERSEAS PROJECTS.
EXECUTIVE V.P. JOHN PARKER CONFIRMS DIRECT INVOLVEMENT IN
EGYPTIAN PROJECT; ACCEPTANCE OF ALEXANDER AS EXPERIENCED
INTERNATIONAL ENTREPRENEUR AND NEGOTIATOR; AND CAPABILITIES
OF LATIMER ASSOCIATES AS ARCHITECTS AND ENGINEERS.

B. JOHN D. LATIMER ASSOCIATES HAVE MAIN OFFICE IN
DURHAM N.C. WITH BRANCH AT TAUNTON MASS AND TOTAL COMPLEMENT
MORE THAN 150 PROFESSIONALS. JOHN LATIMER, PRESIDENT,
ON DUKE UNIV. BOARD OF REGENTS AND PROMINENT MEMBER A.I.A.
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STATES HIS FIRM HAS BEEN EXTENSIVELY INVOLVED IN DOMESTIC

PLANT DESIGN AND CONSTRUCTION PARALLEL TO BOTH TYPES PROPOSED
EGYPT. PLANS COLLABORATE WITH RAYTHEON SUBSIDIARY BADGER CO.
IN THESE INITIAL OVERSEAS OPERATIONS AND TO VISIT COMMERCE
WASHINGTON DURING WEEK 12/9.

C. COMMERCE UNION BANK INVOLVED AT WRIGHT SUGGESTION AND
ON BASIS FINANCING SOME OF LATTER'S LARGEST EXPORT E.G.
VENZUELA FIBERS PAINT. ASST. INT'L. V.P. GAVERICK SUBMITTED
PRELIMINARY PROPOSAL FOR PARTIAL EXIMBANK FINANCING WHICH LOAN
OFFICER THOMAS MORAN ACKNOWLEDGED WITH EXPRESSION OF WILLING-
NESS TO DISCUSS. MORAN ADVISES NO FURTHER ACTION PLANNED
UNTIL GAVERICK AND PROJECT ASSOCIATES SCHEDULE MEETING IN
WASHINGTON.

D. NORMAN ALEXANDER IDENTIFIED PARKER, LATIMER AND GAVERICK
AS PRIME CONTACTS IN TELEPHONE CONVERSATION AND CERTIFIED HIS
INVOLVEMENT AS SENIOR COORDINATOR AND NEGOTIATOR FOR CONSOLIDATED
PROPOSAL. PHENIX WAS DESCRIBED AS PRIMARILY A MANUFACTURING
OPERATION IN ITALY WHICH IS PRESENTLY HAVING PRODUCT SALES AND
PROFIT PROBLEMS. KNETTREND IS RELATIVELY SMALL AND CURRENTLY
UNPROFITABLE DOMESTIC OPERATION ACCORDING TO BOTH ALEXANDER
AND PARKER. CREDIT REPORT SUMMARIES ON TWO ALEXANDER
FIRMS NAMED IN REFTEL ARE NOT IMPRESSIVE IN SUBSTANCE OR
DETAIL.

E. FAHMY ASSUMED TO BE LIMITED ASSOCIATE SELECTED
BECAUSE OF EGYPTIAN CONNECTIONS AND COUNTRY KNOWLEDGE.
NO EXISTING CREDIT REPORTS ON EITHER HIS INTERNATIONAL
COMPANY OR ACCOUNTING FIRM WITH WHICH HE CLAIMS ASSOCIATION.

2. IF GOE CONCERNED MAINLY WITH DETERMINING RELIABILITY
AND COMPETENCE OF WRIGHT AND LATIMER, SUMMARY INFORMATION IN
A&B ABOVE SHOULD GIVE EMBASSY ADEQUATE BASIS FOR FAVORABLE
RESPONSE. GUIDANCE REQUESTED AS TO EXTENT OF INTEREST IN
ALEXANDER AND/OR FAHMY CONNECTIONS AND TIME AVAILABLE FOR
PURSUING THOSE INVESTIGATIONS IF REQUIRED. COMMERCE AND
DEPARTMENT PREPARED UNDERTAKE MORE IN-DEPTH EVALUATION
EFFORTS FOR PROJECT OF THIS SIZE AND IMPORTANCE TO U.S.
BUSINESS PRINCIPALS PARTICIPATING IF EMBASSY SO RECOMMENDS.
IN LATTER EVENT, WILL APPRECIATE CLARIFICATION OF LAST
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SENTENCE IN REFTEL. IS DECEMBER DECISION GOE OR PROJECT
SPONSOR'S CONDITION? KISSINGER

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